

PacifiCorp Idaho Utility Gains 6.4% Rate Increase

3 January 2008

[Power Market Today](#)

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Electric utility rates increased New Year's Day for customers of PacifiCorp's Rocky Mountain Power utility in Idaho, following the state regulatory commission's approval of a rate case settlement last Friday. Rates overall increased 6.4% and by a smaller percentage (4.89%) for residential and irrigation customers. This was a general rate change, including adjustment of the utility profit levels.

Rocky Mountain Power had asked the Idaho Public Utilities Commission (PUC) to increase rates by 10.3%, or \$18.5 million, in its original filing to the commission. The amount granted last Friday totals \$11.5 million for the utility's 67,000 power customers in the eastern part of the state.

As part of the rate action, the PUC approved a settlement among Rocky Mountain Power and its major stakeholders in Idaho, including the Idaho Irrigation Pumpers Association, Community Action Partnership of Idaho, the PUC staff and the utility's two largest customers, Monsanto and Agrium.

Higher operating costs for fuel, labor and transmission were cited as the principal reasons for the general rate increase by the PacifiCorp utility, along with the continuing need for stepped up infrastructure investment in generation, transmission and distribution facilities.

In terms of authorized profit levels, the PUC approved a rate of return of 8.27% and a return on equity (ROE) of 10.25%, compared with the utility's request for a 10.75% ROE. The PUC said Rocky Mountain Power is currently earning a ROE of 5.3%, which at lower levels can affect the utility's ability to obtain the capital it needs to upgrade its infrastructure.